

STATEMENT

CHAIRMAN BILL NICHOLS

4/18/85

INVESTIGATIONS SUBCOMMITTEE

(Joint Hearing - Seapower & Investigations Subcommittees)

(Revolving Door Legislation)

We are meeting today jointly with the Seapower and Strategic and Critical Materials Subcommittee to consider H.R. 272, a bill introduced by our colleague, Mr. Bennett. The thrust of H.R. 272 is to place limitations on the employment by government contractors of former executive agency employees who had been engaged in procurement activities and dealt with the particular contractor. This situation, the so-called "revolving door" between government and industry, has been criticized because of its potential harmful effect on government procurement. Critics have noted that an employee's decisions while still in government service are possibly influenced by the prospect of future employment. They have also noted that the former government employee can use his connections to influence decisions in favor of his new employer, or to gain information not available to other potential contractors.

Recent news accounts have cited several notable instances of government employees who have gone to work for contractors with whom they dealt while employed by the government. For example, a former Assistant Secretary of the Navy who negotiated submarine contracts with General Dynamics Corporation was hired by the corporation as a Vice President; three former general officers of the Army who were involved in the DIVAD program have been employed by Ford Aerospace, the prime contractor for the system; the former Commander of the Air Force Plant Representative Office at Hughes Aircraft Company upon his retirement from the military went to work for the company; the former Commander of the Air Force Plant Representative Office at General Dynamics, Fort Worth, Texas plant, was employed by the contractor after he retired; and the Colonel who

- 2 -

managed the Air Force competition between General Electric and Pratt-Whitney for jet engines was hired by General Electric after his retirement from the Air Force.

I want to emphasize that we are not alleging that there was anything improper about any of these persons becoming employed by the contractors with whom they had previously dealt on behalf of the government. There is, however, a questionable appearance when such a change occurs. It is that perception of impropriety that we are seeking to eliminate.

In considering this legislation, we must deal fairly with the former government employees. While we must attempt to eliminate the appearance of impropriety in post-government employment, we must not unreasonably restrict the areas of employment which will be open to the government employee after termination of his service with the government.